

22 November 1961

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APPLICATION OF SURPLUS PERSONNEL PROCEDURES
[REDACTED] TO RETIREMENT ELIGIBLES

PROBLEM

25X1A

To standardize Agency practice relating to the separation of individuals who are either eligible for retirement or nearing retirement eligibility at the time such individuals are actually recommended for separation under the provisions of [REDACTED] Separation of Surplus Personnel.

FACTS BEARING UPON THE PROBLEM

1. Individuals currently eligible for voluntary or optional retirement and individuals approaching eligibility for either optional retirement or "discontinued service" retirement will inevitably become involved in the Agency's surplus personnel procedures as set forth in [REDACTED]. This must be considered normal, especially in view of the fact that one of the criteria used in the selection of individuals to be separated under these procedures is "potential for future usefulness."

25X1A

2. No basis exists in the Regulation for arbitrarily setting such individuals aside in applying the surplus procedures, nor has there been any indication of any Agency intent to do so.

25X1A

3. [REDACTED] gives to the Director of Personnel (in consultation with the Head of the Career Service concerned) the authority to establish effective dates of separation after the DCI has determined that a particular individual should be separated under the provisions of the Regulation. The Regulation

CONFIDENTIAL

APPLICATION OF SURPLUS PERSONNEL PROCEDURES
[REDACTED] TO RETIREMENT ELIGIBLES

25X1A

gives the Director of Personnel considerable latitude in establishing such effective dates, specifying that an effective date shall be not less than 30 days and ordinarily not more than 90 calendar days following notice to the employee.

ASSUMPTION

In line with overall Agency personnel policies and practices the Agency wishes to deal reasonably and humanely with individuals involved in the surplus personnel procedures, especially those who happen to be in one of the retirement situations enumerated.

DISCUSSION

25X1A

In the administration of the surplus personnel procedures as set forth in [REDACTED] it is expected that three fairly distinct retirement situations will be encountered:

1. The first situation involves the individual who at the time he is recommended for separation by the Deputy Director concerned is already eligible for optional age retirement.* An individual in this situation may be expected to be aware of his retirement eligibility, but he may not be aware of the fact that he may be recommended for separation under the surplus personnel procedures. It is therefore considered only fair to such an individual to apprise him of the fact that his separation under the surplus procedures may be recommended in order to permit him to firm up his retirement plans, and remove

*An individual is eligible for optional age retirement if, in addition to the general requirements for retirement, he meets any of the following combinations of age and service: age 62, with minimum of 5 years' service; age 60, with minimum of 30 years' service; or age 55, with minimum of 30 years' service, but with reduction in annuity for being under age 60.

CONFIDENTIAL

25X1A

himself from the [REDACTED] exercise. The procedure that has been devised by the Office of Personnel for doing this involves identifying these individuals at the earliest possible stage and advising the Deputy Director concerned of their retirement eligibility in order that the latter or his representative may call the individual in and discuss with him the question of firming up his retirement plans. If the individual concerned agrees to this, he is asked to sign a retirement application with an effective date acceptable both to the Deputy Director concerned and the Director of Personnel and thereby remove himself from involvement in the exercise. Although the circumstances in the individual case are carefully weighed in setting the effective date, it has been determined that consistency with the Regulation requires an effective date not beyond 12 months from the date of signature. If the individual declines to sign a retirement application on this basis, his case receives normal processing under the provisions of [REDACTED]

25X1A

2. Another situation which has been encountered and undoubtedly will be encountered from time to time involves the individual who is approaching eligibility for optional age retirement* but as of the time his separation is recommended under [REDACTED] has not attained such eligibility. In such a case it is considered equitable to permit the individual to remain on Agency rolls until he attains eligibility, provided that minimum eligibility will be attained within a period not in excess of 12 months. This arrangement would also depend upon a favorable recommendation by the Deputy Director concerned

25X1A

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CONFIDENTIAL

and also on the individual's services being profitably utilized in the interim. The individual concerned would demonstrate his acceptance of these arrangements by submitting to the Director of Personnel a retirement application showing the agreed upon effective date. (In permitting an individual to remain on Agency rolls for a period up to 12 months for the purpose of attaining minimum retirement eligibility it would be expected that he would utilize his accrued annual leave prior to the agreed upon retirement date.) In the absence of such an application the individual's case would receive normal processing under [REDACTED]

25X1A

3. A third retirement situation which can be expected involves the individual who at the time he is recommended for separation under [REDACTED] is approaching eligibility for "discontinued service" retirement. To be eligible for this type of retirement an individual must be separated involuntarily "without cause," and either be at least 50 years of age and have at least 20 years of creditable service, or he must have 25 years of creditable service irrespective of his age. Since the basic eligibility criterion in such a case is

25X1A

involuntary separation, it is necessary for the DCI to determine that the individual's employment must be terminated under the provisions of [REDACTED] and the case must therefore be referred to him. In the interest of equity, however, it is proposed that an individual who will attain minimum eligibility (either in terms of age or creditable service) for such retirement within a period of 12 months from the date he is recommended for separation under [REDACTED] be permitted to remain on Agency rolls until he attains such eligibility. This ar-

25X1A

25X1A

arrangement also depends upon a favorable recommendation by the Deputy Director concerned and on the individual's services being profitably utilized. Accrued annual leave would also be employed within the waiting period.

RECOMMENDATION

It is recommended that the arrangements set forth above be approved for adoption by the Director of Personnel in administering the provisions of

25X1A

CONFIDENTIAL

ELIGIBILITY TO RETIRE

There are two general requirements which all retiring employees must meet. These are: (1) the employee must have at least 5 years of civilian service with the Government, and (2) he must have been employed under the Retirement Act for at least 1 year out of the last 2 years preceding separation for retirement, unless the retirement is on account of disability.

An employee must retire at or after age 70 with 15 years of service.

An employee who meets any combination of minimum age and service, as well as the special requirements (if any) shown in the following table may retire and draw an immediate annuity.

Minimum Age	Minimum Service (Years)	Special Requirements
62	5	None
60	30	None
55*	30	None
any age*	25	Separation must be involuntary without cause.
50*	20	Separation must be involuntary without cause.
any age	5	Must be totally disabled for service in the position occupied.

* Annuity is reduced if under age 60